

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Appellants: Deidre O'Shea et al.

CUSTOMER NO. 22927

Application No.: 09/535,790

Filed: March 29, 2000

Title: METHOD AND APPARATUS FOR PROVIDING A
COUPON OFFER HAVING A VARIABLE VALUE

Attorney Docket No.: 99-032

Confirmation No.: 7017

Examiner: ALVAREZ, Raquel

Group Art Unit: 3622

REPLY BRIEF

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Appellants hereby submit remarks in this Reply Brief pursuant to 37 C.F.R. §41.41 and in response to the Examiner's Answer mailed on May 21, 2007 (the "Examiner's Answer" herein). This Reply Brief is submitted as a supplement to the Appeal Brief mailed on January 31, 2007 (the "Appeal Brief") and should, if applicable, be considered as a request to maintain the current Appeal to the Board of Patent Appeals and Interferences from the decision of the Examiner in the Final Office Action mailed May 9, 2006 (the "Final Action"), rejecting Claims **1-3, 5-21, 23-44, 46-74, 87, 94, 144-153 and 162-167**.

REMARKS

I. Introduction

Appellants note that the Examiner's Answer does not include any new grounds of rejection, but does include assertions and arguments with respect to the claims under appeal that are additional to those appearing in the Final Action. Thus, Appellants voluntarily submit this Reply Brief pursuant to 37 C.F.R. §41.41.

II. Summary of the Claimed Subject Matter

Claim 1 under appeal is illustrative, and thus Appellants provide the following brief summary. In accordance with an embodiment, a method for changing a benefit associated with a coupon provides for *establishing an initial benefit for a coupon*. For example, a coupon issuer may establish a value for a coupon to encourage a customer to buy a product at a particular toy store. (Specification, page 5, line 3-4, and Fig. 1, step 102).

The method further provides for *establishing a benefit variation condition for said coupon, said benefit variation condition having at least one associated qualifying action that is associated with a downstream recipient of the coupon*. For example, the toy store coupon may indicate that the coupon issuer will increase the benefit by fifty cents for each person to whom the initial recipient forwards a duplicate of the coupon (referred to as “primary recipients”), and may further increase the benefit by five cents when a primary recipient forwards the coupon to another downstream recipient. (Specification, page 5, lines 6-11; and Fig. 1, step 104).

The method also provides for *receiving notice of a completion of said at least one qualifying action*. For example, a coupon offer issuer server keeps track of the recipients of the toy store coupons and the respective benefits of the recipients' coupons, and thus the server receives notice when a downstream recipient redeems and/or forwards a coupon. (Specification, page 5, lines 15-18; page 77, lines 6-12; Fig. 1, step 106; and step Fig. 20, step 976).

The method further provides for *updating said coupon's benefit in accordance with said benefit variation condition*. For example, the initial recipient's toy store coupon increases in value as the downstream recipients complete qualifying actions. Because the toy store coupon recipients have an incentive to forward the coupon to friends and family who are likely to be interested, a more targeted pool of people will receive the toy store coupon than would occur using a conventional coupon offer issuance system. Furthermore, the downstream recipients are inclined to give the coupon more consideration than a conventional, untargeted coupon because someone they know sent them the coupon. (Specification, page 5, lines 18-26; and Fig. 1, step 108).

III. The Examiner has Failed to Establish a *Prima Facie* case of Obviousness

The Examiner's Answer repeats the Section 103(a) rejections of the claims under appeal as recited in the Final Action (see Examiner's Answer, Item (9), pages 3-7), and adds several new assertions (see Item (10) on pages 7-9) that concern the cited U.S. Patent No. 5,368,129 to Von Kohorn ("Von Kohorn") and the "How MileNet Works" article ("MileNet"). Appellants respectfully submit

that these new assertions fail to provide substantial evidence in support of a *prima facie* case of obviousness.

A. Still No Support for “Official Notice”

The Examiner admits that Von Kohorn does not explicitly teach a qualifying action for updating the value of a coupon, wherein the qualifying action is associated with a downstream recipient of the coupon (Final Action, pages 2-3). The Examiner took “Official Notice” of such operation, which Appellants challenged during prosecution of the application, and in response to the challenge cited the MileNet reference. The Examiner now asserts that:

“... MileNet was cited to provide evidence for teaching compensating the user for furnishing the names of respective users (see page 1 of MileNet).” (Examiner’s Answer, item (10) on page 8.)

But MileNet describes a shareware computer program that enables a user to obtain frequent flyer miles for every minute that the user is running the program and is connected to the Internet, not for “furnishing the names of respective users”. Furthermore, the user must run the shareware program and have a “MileNet window” visible on her desktop to keep a “MileNet counter” incrementing. The user can transmit the MileNet shareware program to a friend who can then install and run it on his computer, which may cause the user’s “MileNet counter” increment speed to be increased. The friend in turn may send the MileNet shareware program to other friends that could, if the other friends install and use it, cause the user’s “MileNet counter” increment speed to be further increased (See page 1 of MileNet). Since MileNet does not teach or even suggest “compensating

the user for furnishing the names of respective users”, the taking of “Official Notice” has not been supported by any substantial evidence of record.

Furthermore, even if MileNet does somehow support the Examiner’s assertion quoted above, it does not change the fact that MileNet discloses a shareware computer program that is unrelated to coupons. Accordingly, MileNet does not teach or suggest establishing a benefit variation condition for a coupon that includes at least one qualifying action associated with a downstream recipient, nor does it teach or suggest receiving notice of completion of the qualifying action, nor does it teach or suggest updating the coupon’s benefit in accordance with the benefit variation condition as claimed. Rather, MileNet describes how a user can accumulate frequent flyer miles by installing and utilizing a shareware program while connected to the Internet, and how that user can accelerate his rate of accumulation of the frequent flyer miles by promulgating the program to other users of the Internet who then must also install and run the shareware program.

Accordingly, Appellants submit that the use of “Official Notice” fails because the Examiner has not provided substantial evidence to support the assertion that:

“... Official Notice is taken that it is old and well known, in chain referral sales, multi-level business pyramids or the like for a seller to induce a buyer to purchase merchandise by promising to give the buyer a discount or a rebate if the buyer furnishes the seller with the names of other prospective buyers.” (Emphasis in original, Final Action, paragraph spanning pages 2-3).

Consequently, the Examiner has not established a *prima facie* case of obviousness and the Section 103 rejection should be reversed for at least this reason.

B. Von Kohorn and MileNet are Non-Analogous References

The Examiner asserts that:

... Von Kohorn and MileNet meet the second part of the two prong test for analogous prior art: Von Kohorn and MileNet are solving the same problem with which the inventor is involved, of compensating user for their actions (In Von Kohorn the action is the purchase of the product and in MileNet the action is recommending a family or friend or downstreaming the service or product to other users). (Examiner's Answer, item (10) on page 8.)

The Examiner is apparently admitting that MileNet is not within the field of the present application, and has misapplied the test for analogous art. The Federal Circuit Court of Appeals in the case of In re Oetiker, 24 USPQ2d 1443, 977 F.2d 1443 (Fed. Cir. 1992) held:

“In order to rely on a reference as a basis for rejection of the applicant's invention, the reference must either be in the field of the applicant's endeavor or, **if not, then be reasonably pertinent to the particular problems with which the inventor was concerned.**” (Emphasis added, Id. at 1497, citing In re Diminski, 230 U.S. P.Q. 313, 315, 796 F.2d 436, 442 (Fed. Cir. 1986)).

Oetiker's claims were directed to improvements in a metal hose clamp. The Examiner in that case rejected the claims based on a reference concerning fasteners for garments in combination with an earlier patent of Oetiker concerning a hose clamp. In concluding that the references were improperly combined, the Court stated:

“We have reminded ourselves and the PTO that it is necessary to consider ‘the reality of the circumstances’, In re Woods, 559 F.2d 1032, 1036, 202 U.S.P.Q. 171, 174 (CCPA 1979) – in other words, common sense—in deciding in which fields a person of ordinary skill

would reasonably be expected to look for a solution facing the inventor.

It has not been shown that a person of ordinary skill seeking to solve a problem of fastening a hose clamp, would reasonably be expected or motivated to look to fasteners for garments. The combination of elements from non-analogous sources, in a manner that reconstructs the applicant's invention only with the benefit of hindsight, is insufficient to present a *prima facie* case of obviousness." *Id.* at 1447.

Appellants respectfully assert that the reality of the circumstances in the present case is that one of ordinary skill in the art seeking to solve the problem of effectively targeting potentially interested coupon recipients would not be reasonably expected to look to references concerning shareware programs for accumulating frequent flyer miles. Thus, MileNet has been improperly combined with Von Kohorn.

C. Still No Showing of Any Motivation to Combine References

The Examiner asserts:

"Appellant argues that there's no motivation to combine... The Examiner disagrees ... because given that Von Kohorn teaches the amount of the coupon is altered or changed in association with the customer making an initial purchase of a product and MileNet teaching (sic., "teaches") that the action is recommending or passing on the use and installation of the MileNet to family and friends. The use and installation of MileNet works as the downstream of the coupon (sic.) and therefore it would have been obvious to combine the references in order to allow the users of Von Kohorn to increase the value of their coupons by the teachings of MileNet of passing on or downstreaming the service or product of MileNet in order to motivate the user to recommend the product or services to other users."
(Examiner's Answer, item (10) on page 9.)

Appellants respectfully submit that the above quoted assertion falls far short of providing substantial evidence that one skilled in the art at the time the invention was made would have been motivated to combine Von Kohorn and MileNet. In particular, the Examiner has not shown where, in either of Von Kohorn and MileNet, there is some teaching, suggestion, or motivation to combine them, and has not otherwise shown where such motivation can be found in the knowledge generally available to one of ordinary skill in the art.

Von Kohorn describes store coupon discount methods wherein coupon values are randomly determined within predefined limits, and methods for randomly determining winners of such coupons (See Von Kohorn, col. 1, lines 64-66 and col. 2, lines 22-25). The goal is to “add excitement to the shopping experience” and to add to “the interest and involvement of shoppers standing in a checkout counter line” (See Von Kohorn, col. 1, line 54 to col. 2, line 34, and the Abstract).

In contrast, MileNet describes a shareware computer program that provides frequent flyer miles to a user running the program while connected to the Internet. MileNet is not concerned with coupons, and thus does not suggest any methods for changing a benefit associated with retail store coupons. Accordingly, one skilled in the art would not be motivated to combine MileNet with Von Kohorn without some express teaching to do so, which has not been shown (and which Appellants submit does not exist).

Furthermore, the Examiner’s reasoning in the above quoted passage of the Examiner’s Answer is flawed. In particular, the required feature of randomly determining coupon values taught by Von Kohorn (which has been ignored by the Examiner) is contrary to the operation taught by MileNet of systematically providing frequent flyer miles to users who run the shareware program. Thus,

shoppers who obtain coupons in a store as described in Von Kohorn **could not** “increase the value of their coupons by [using] the teachings of MileNet of passing on or downstreaming the service or product of MileNet” as asserted by the Examiner. Conversely, a user of the MileNet shareware program does not **randomly** obtain frequent flyer miles within some predetermined range, rather the user systematically obtains frequent flyer miles only if the user is running program while connected to the Internet, and the systematic rate of accumulation can increase if the user’s friends are also running the program. Accordingly, one of ordinary skill in the art would not (and could not) use MileNet to supplement the teachings of Von Kohorn, or vice-versa.

In view of the above remarks, Appellants respectfully assert that the Examiner has not provided any basis for modifying Von Kohorn as suggested. Accordingly, the Examiner has failed to establish a *prima facie* case of obviousness.

II. Conclusion

At least for the reasons stated above, which are supplemental to those submitted and described in the Appeal Brief, Appellants continue to respectfully assert that the Examiner has failed to establish clear and particular findings supported by actual and substantial evidence of record that could support the obviousness rejections of the claims under appeal. Accordingly, no *prima facie* case of obviousness has been made, and Appellants respectfully request that the Examiner's rejections of the pending claims be reversed.

Respectfully submitted,

July 20, 2007
Date

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